CONSUMER ALERT LIMITED MEDICAL BENEFIT INSURANCE PLANS/ MINI-MED PLANS

STOP, READ AND UNDERSTAND

What Is a Limited Medical Benefit Insurance Plan or Mini-Med Plan?

A Limited Medical Benefit Insurance or Mini-Med plan is NOT comprehensive major medical health insurance. Unlike a traditional insurance policy, with a Mini-Med plan, there's no limit to how much you might have to pay for medical expenses. Not all Mini-Med plans are the same. Some offer a very low level of health insurance coverage. If you have too little insurance, you increase the risk you'll have to borrow money or face bankruptcy if you have a costly illness or injury. Most limited medical benefit or mini-med plans cap the annual amount they will pay for medical expenses, leaving you responsible for the rest.

These plans come in many varieties so *READ THIS ALERT AND SHOP CAREFULLY BEFORE YOU BUY.*

How Do I Know If I'm Buying a Limited Medical Benefit or Mini-Med Plan?

These plans are often sold as a "cheap alternative to major medical health insurance." Some common phrases often found in advertising for Limited Medical Benefit or Mini-Med plans are:

- Real Health Insurance
- Guarantee Issue or Acceptance
- No Pre-Existing Conditions
- Premium Offer is Only Good For Limited "Open Enrollment" Period
- Designed to Pay for Smaller, More Common Claims
- Affordable Health Insurance

Look past these sales pitches. Before you buy, be sure the policy offers the benefits and protections important to *you*. **Ask the agent:**

- For the full name and address of the insurance company underwriting the coverage.
- For his/her full name, address and National Producer Number ("NPN"). ***Be sure the agent is licensed in your state and appointed by the insurance company.***
- For a written outline of coverage.
- To fully explain how much of your monthly cost is actual insurance premium vs. other fees and charges.
- To fully explain all insurance benefits, limits, and exclusions.

What Do I Look Out For?

- Offers for health coverage that MIGHT NOT BE INSURANCE
- Offers that require Association Memberships.
- Unsolicited calls, emails, or faxes.
- Any annual limits on what the policy covers.

Many people and companies that promise health insurance for a low price don't intend or aren't able to provide coverage. Some warning signs are:

- Medical Discount Card or Pharmacy Discount Card that are sold as insurance.
- Terms like "Innovative" and "Cost Effective."
- Ads or websites that use the terms listed in this alert.

If you have doubts or questions or if it seems too good to be true, contact [your state insurance department].